Mr. A. Eachara Menon.—I second it.

Motion put and carried.

Resolutions on matters of General Public Interest.

(8) Land Mortgage Bank.—(*cont.*)

Mr. E. Ikkanda Warriar.—Sir, I was reading some extracts from the order of the Travancore Government yesterday when the Council rose for the day. I shall complete it. "The loans to be granted by the Bank shall be only for (a) the liquidation of prior debts on land in the possession of the borrower; and (b) the improvement of agricultural land.

Amounts due by reason of default on the part of the borrower will be recovered as arrears of public revenue under the Revenue Recovery Regulation I of 1068 and the necessary terms will be incorporated in the bonds to be executed by the borrowers. The accounts of the bank will be quite separate from the State accounts and the profits of the concern will go towards the building up of a reserve".

This in short is the scheme which the Travancore Government has adopted. I think the conditions are similar here also and I hope that this scheme will be acceptable to the Government. With these words I second the resolution.

Rao Sahib Mr. T. V. Kasturi Ranga Ayyar.—Sir, so far as the Government are concerned they are in entire sympathy with what the Hon'ble mover and the seconder has said. Of course, I had not the privilege to be present here yesterday when the Hon'ble mover made his speech. Still I can more or less appreciate the sentiments he gave expression to. I am glad that the Hon'ble seconder has made a careful study of the position in Travancore. There is one feature to which prominence has been given by the Travancore Government in para 3 of the D. O. and that is a reference made to the report of the Royal Commission on Agriculture. I don't know whether the Hon'ble Member has read it. I suppose the House will be glad to hear it. "The Royal Commission on Agriculture in India also finds that there is scope for the establishment of Land Mortgage Banks in India. But it is strongly of opinion that these Banks should be established only after the most careful preliminary enquiry. Efficient management is essential and unless it is secured no straightforward step should be taken. The chief source of funds of the scheme should prove beneficial should be debentures and the reputation of these debentures in markets will depend on the efficient management as a whole. A taint of in security once attched to this question will be very difficult to be removed". The Royal Commission concludes with these pertinent remarks. It has given a very weighty opinion that under no circumstances should any attempt be made to hurry such institutions into existence to meet a popular demand. This is what the Royal Commission has said. So far as our Government are concerned, first of all the fundamental principle is that we must have a larger number of primary

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Land Mortgage Banks. We tried one at Vyttila. There is only one such primary Land Mortgage Bank and that is in Vyttila. It has become dorment though they are trying to do their utmost;but no work is being done now.

In Mysore they have organised a Land Mortgage Bank where the help given by the Government depends upon the total volume of money that the primary societies organised by the public will be able to place at the disposal of the Bank. In Madras there is no Government help. It is left to the Co-operative movement. In Travancore His Highness the Maharaja has very graciously made a donation of one lakh of rupees from His Highness' privy purse and the Government have also promised a contribution of four lakhs of rupees. The fundamental principle kept in view here also is that a careful preliminary enquiry should be made. The Government have great pleasure to inform the Hon'ble Members of this House that a committee has been constituted consisting of the Comptroller of Accounts, the Diwan Peishkar and the Registrar of Co-operative Societies to go into the whole question and take early steps for the organization of Land Mortgage Banks. I will certainly be very glad if my Hon'ble friend, the mover who is a Professor of Economics, will place all the information he has collected at our disposal. I assure this House that this movement is as dear to our hearts as it is to the Hon'ble Members on the other side, and we are going to do everything that is possible. But I cannot promise that it will be done to-morrow morning, and I won't use the words 'if funds permit'. It is engaging the attention of the Government. On this assurance I hope that the Hon'ble mover will not press this resolution.

Mr. P. Krishna Menon.—In supporting the resolution I must certainly thank the Leader of the House for having read para 3 of the Travancore Government Order. In fact on a careful reading of that the House will find the decision for the formation of the proposal that is now before the House. No doubt security, untainted security, is the index of success and because private enterprise in that line will not be successful—that is the opinion of the House even I will say—it is because of that opinion that we rely upon the Travancore model. That will be seen from the last few words of the Government Order. "The accounts of the bank will be quite separate from the State accounts and the profits of the concern will go towards the building of the reserves". So it is a Government concern pure and simple which will give stability and security for the undertaking. Therefore it is that we say that the Government should

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be pleased to organise a Bank about which there will be no difficulty. One word more. With regard to the advances, if there is security for the debentures the selling of the debentures will easily bring the money which the Government have advanced. Therefore, a lot of money will never lie idle even if advances are made by way of debentures. So I earnestly request the Government to take early steps to bring into fruition this great desire of the people.

Rao Sahib Mr. T. V. Kasturi Ranga Ayyar.—That is also the desire of the Government. I don't see why the Mysore model should not be adopted if it is an improvement from the Travancore model.

മിസ്റ്റർ ടി. കെ. നായർ.—ഗവമ്മേൻറിൽനിന്നും ഇതിലേക്ക ഒരു കമ്മറ്റിയെ ഏർപ്പെടുത്തീട്ടാണൊ ഇതു് ചെയ്യുവരുന്നതു്? അതോ കൊച്ചീ ഗവമ്മേൻറിലും ട്രാവൻകൂർ ഗവമ്മേൻറിനേപോലെ ഒരു കമ്മറ്റിയില്ലാതെ ചെയ്യുന്നുണ്ടോ? അങ്ങിനെയാണെങ്കിൽ അതു് എന്നു് ഏർപ്പെടുത്തുമെന്നു പറഞ്ഞാൽ കൊള്ളാം.

റാവുസാഹിബ്ബു് മിസ്റ്റർ ടി. വി. കസ്തൂരിരങ്കയ്യർ.— അതു വളരെ വേഗത്തിൽതന്നെ തുടങ്ങിയിട്ടുണ്ടു്. ഫാൻസു മുതൽ തുടങ്ങി. ഈ കൌൺസിൽ വരുന്നതിനു് മുമ്പുതന്നെ ഇവിടെ ബാങ്കിംഗ് കമ്മറ്റിയെന്നൊരു കമ്മറ്റി ഉണ്ടായിരുന്നു. അന്നും ഞാൻ ദിവാൻപേഷ്കാർതന്നെയാണു്. ഇതാ അതിനെ സംബന്ധിച്ചു ഒരു പാടു് കടലാസുകളുണ്ടു്. അതെല്ലാം വേണമെങ്കിൽ എടുത്തുവായിച്ചു മനസ്സിലാക്കാം.

മിസ്റ്റർ ടി. കെ. നായർ.—അടുത്ത അവസരത്തിൽതന്നെ ചെയ്യുമെന്നു് വിശ്വസിക്കുന്നു.

റാവുസാഹിബ്ബു് മിസ്റ്റർ ടി. വി. കസ്തൂരിരങ്കയ്യർ.—അതിലേയ്ക്കുവേണ്ടിതന്നേയാണു് ഇതാ 5th December-ൽ ഒരു യോഗം കൂടുവാൻ പോകുന്നതു്.

മിസ്റ്റർ ടി. കെ. നായർ.—ആർഡർ എന്താണു്?

റാവുസാഹിബ്ബു് മിസ്റ്റർ ടി. വി. കസ്തൂരിരങ്കയ്യർ.—ഞങ്ങൾ മൂന്നാളുംകൂടി ആലോചിച്ചു് ഒരു സംഘം തയ്യാറാക്കി അയക്കണമെന്നാണു്. വേറെ ആരെല്ലാം ഉണ്ടായിരിയ്ക്കുമെന്നു് ഇപ്പോൾ നിശ്ചയമില്ല.

Mr. Joseph Pettah.—On a point of information, Sir. May I know the date on which the order was passed appointing the Committee?

Rao Sahib Mr. T. V. Kasturi Ranga Ayyar.—5th December.

Mr. Joseph Pettah.—I don't think a long reply is necessary. I am very glad to note that the Government are very sympathetic towards this proposal and that it has been for a long

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time within the purview of Government's consideration. I only want to dispel a notion which, I suspect, is entertained by the Government, namely, that we are still in a hurry about the starting of a Land Mortgage Bank. The wise words which the Leader of the House quoted from the report of the Royal Agricultural Commission are very weighty and deserve deep consideration. At the same time, I want to impress upon the Government that we are not in any way in a hurry. As the Leader of the House himself admitted, this scheme has been before the Government for a long time, even from 1096; thus they have been considering it for these ten years. Hence we should not be accused of any hurry in 1107. It may be said to the credit of the people of Cochin that in the matter of banking we stand perhaps first in India. In no part of India can we find so many commercial banks as are crowded into this little State of Cochin. In matters financial, therefore, we are far ahead; and so also in the experience that is necessary for the efficient management of a Land Mortgage Bank we must be considered to be fairly ahead of the other States in India. It is evident, therefore, that we cannot be charged with being in a hurry in this matter. I request that the Government will be pleased to dispel this notion. I am led to suspect there is such a notion on the part of the Government, from the way the Leader of the House stressed that particular portion of the Commission Report, which recommends caution in this matter. Hence it is that I make these remarks, just to bring home to the Government that it is high time that we started an institution of this type in Cochin. It is true that the scheme is fraught with difficulties, especially in view of the different systems of land tenure here. But at the same time it is a scheme that is fraught with great possibilities of agricultural amelioration in the State and hence it is that we should not loose any more time in materialising it. The Government Member said that an experiment was tried at Vyttila and it was not much of a success. I wish, in this connection to bring to the notice of this House that the experiment was tried in the wrong way. For, as has been said, the success of the scheme depends on the security of the debentures and the security of the debentures could not be very high when the debentures are issued by a local society. The ordinary method would be to start a Central Mortgage Bank and then, for the purpose of administrative convenience, to start local branches. That is the system prevailing in western countries and that is also the model we should adopt here. If security is to be given to the debentures, we must have a central institution, as they have in Bombay where it is associated with the Provincial Co-operative

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Bank. Then naturally local branches may be started as a matter of administrative convenience.

I am glad that a few Government Officers are already on the Scheme, and that they are considering ways and means of starting a Land Mortgage Bank here. I am only afraid that this deliberation may go on in this way for a very long time. I again press the urgency of this institution, and request the Government to expedite the matter.

Once again to come to the question of security. It was pointed out that the Travancore model might be a good model for us to imitate. It may be so. I think in considering the details of the Travancore model, the Madras, Bombay and Mysore modeis may also be taken into consideration. When an institution is brought into existence as a purely Government concern there is always some difficulty in securing the popular initiative that is required for its ultimate success, and if we can judge from the experience of the Co-operative movement in India this Government stamp, when given to some of the institutions which are essentially of a popular character, proves detrimental in the long run. Hence it is that we have to consider the various alternatives before deciding upon any particular model. As to the ensuring of security for the debentures, it may be done by the Government themselves purchasing a large number of debentures, as has been done in Madras, or by the Government guaranteeing a fixed rate of interest on these debentures, as has been done in Bombay. In Travancore the matter has been directly taken into the hands of the Government. These alternatives may kindly be considered and the Government may come to a speedy conclusion. It is only to strengthen the hands of the Government in expediting their deliberations that I press this resolution to a division. When it is known to the public and to the Government that it is the considered opinion of the leaders of the public that a Land Mortgage Bank should be started in the State, the Government's hands will be strengthened. For this purpose, and not to cast any slur on the Government, nor in a spirit of attacking them, I beg to press this resolution for the acceptance of the House .

Rao Sahib Mr. T. V. Kasturi Ranga Ayyar.—I want an assurance from the Hon'ble Member that he will help me.

Detuty President.—You may arrange it outside the Council.

The resolution was put and carried, Government remaining neutral.

9. Committee for Anappara Building, etc.

Mr. T. A. Ramachandra Ayyar.—The resolution standing in my name runs thus :—"This Council recommends to the

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